

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_  
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE PAYMENT OF PROPERTY TAXES IN FOUR INSTALLMENTS; PROVIDING THAT CENTRALLY ASSESSED PROPERTY DOES NOT QUALIFY FOR INSTALLMENT PAYMENTS; REQUIRING THAT AT LEAST \$500 BE DUE IN ANNUAL PROPERTY TAXES TO QUALIFY FOR THE PAYMENT IN INSTALLMENTS; AMENDING SECTIONS 15-16-101, 15-16-102, 15-16-103, 15-16-301, 15-17-122, 15-17-131, 15-18-112, 15-23-214, 15-23-507, AND 15-23-804, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-16-101, MCA, is amended to read:

**"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the receipt of the property tax record, the county treasurer shall publish a notice specifying the time and place at which payment of taxes may be made and that unless a qualifying taxpayer has elected to pay property taxes in four installments as provided in 15-16-102:

(a) ~~that~~ one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

(b) ~~that~~ one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty; ~~and~~

~~(c) the time and place at which payment of taxes may be made.~~

(2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice, postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due and delinquent for other years. The written notice must include:

(i) the taxable value of the property;

(ii) the total mill levy applied to that taxable value;

(iii) itemized city services and special improvement district assessments collected by the county;

(iv) the number of the school district in which the property is located; and

(v) the amount of the total tax due that is levied as city tax, county tax, state tax, school district tax, and other tax.

(b) If the property is the subject of a tax lien sale for which a tax lien sale certificate has been issued under 15-17-212, the notice must also include, in a manner calculated to draw attention, a statement that the property is the subject of a tax lien sale and that the taxpayer may contact the county treasurer for complete information.

(3) The municipality shall, upon request of the county treasurer, provide the information to be included under subsection (2)(a)(iii) ready for mailing.

(4) The notice in every case must be published once a week for 2 weeks in a weekly or daily newspaper published in the county, if there is one, or if there is not, then by posting it in three public places. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax.

(5) If the department revises an assessment that results in an additional tax of \$5 or less, an additional tax is not owed and a new tax bill does not need to be prepared."

**Section 2.** Section 15-16-102, MCA, is amended to read:

**"15-16-102. Time for payment -- penalty for delinquency.** (1) Unless suspended or canceled under the provisions of 10-1-606 or Title 15, chapter 24, part 17, all taxes levied and assessed in the state of Montana, except assessments made for special improvements in cities and towns payable under 15-16-103, are payable as follows:

~~(1)(a) (i) One-half~~ Except as provided in subsection (1)(a)(ii), one-half of the taxes are payable ~~on or before~~ not later than 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one-half are payable ~~on or before~~ not later than 5 p.m. on May 31 of each year.

(ii) If elected by a qualifying taxpayer, one-quarter of the taxes are payable not later than 5 p.m. on November 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one-quarter are payable not later than 5 p.m. on February 28, May 31, and July 28 of each year, as provided in subsection (2).

1 ~~(2)(b)~~ Unless ~~one-half the applicable amount~~ of the taxes are paid on or before 5 p.m. on ~~November 30~~  
2 ~~of each year or within 30 days after the tax notice is postmarked, whichever is later the date due~~, the amount  
3 payable is delinquent and draws interest at the rate of 5/6 of 1% a month from and after the delinquency until paid  
4 and 2% must be added to the delinquent taxes as a penalty.

5 ~~(3)~~ All taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and draw  
6 interest at the rate of 5/6 of 1% a month from and after the delinquency until paid, and 2% must be added to the  
7 delinquent taxes as a penalty.

8 (2) Except as provided in 15-16-103, a property taxpayer may elect to make property tax payments in  
9 four installments on one or more parcels of property within a county. Property taxes on centrally assessed  
10 property, as provided in 15-23-101, are not eligible for payment in four installments. The tax due on all the  
11 property in the county subject to the installment payment election must be at least \$500 a year. The election must  
12 be made on forms provided by the department by September 1 for installment payments beginning November  
13 30 of that year. The election to make installment payments is in effect until the taxpayer revokes the election, the  
14 amount of property taxes due becomes less than \$500 a year, the title to any of the property is transferred, or any  
15 of the property becomes centrally assessed property.

16 ~~(4)(3)~~ (a) If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without  
17 penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.

18 (b) If taxes on property qualifying under the low-income property tax assistance provisions of  
19 15-6-134(1)(c) and 15-6-191 are paid within 20 calendar days of the date on which the taxes are due, the taxes  
20 may be paid without penalty or interest. If a tax payment is made later than 20 days after the taxes were due, the  
21 penalty must be paid and interest accrues from the date on which the taxes were due.

22 ~~(5)(4)~~ (a) A taxpayer may pay current year taxes without paying delinquent taxes. The county treasurer  
23 shall accept a partial payment equal to the delinquent taxes, including penalty and interest, for one or more full  
24 tax years if taxes for both halves of the current tax year have been paid. Payment of taxes for delinquent taxes  
25 must be applied to the taxes that have been delinquent the longest. The payment of taxes for the current tax year  
26 is not a redemption of the property tax lien for any delinquent tax year.

27 (b) A payment by a co-owner of an undivided ownership interest that is subject to a separate assessment  
28 otherwise meeting the requirements of subsection ~~(5)(a)~~ (4)(a) is not a partial payment.

29 ~~(6)(5)~~ The penalty and interest on delinquent assessment payments for specific parcels of land may be  
30 waived by resolution of the city council. A copy of the resolution must be certified to the county treasurer.

1       ~~(7)~~(6) If the department revises an assessment that results in an additional tax of \$5 or less, an additional  
2 tax is not owed and a new tax bill does not need to be prepared.

3       ~~(8)~~(7) The county treasurer may accept a partial payment of centrally assessed property taxes as  
4 provided in 76-3-207."

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6       **Section 3.** Section 15-16-103, MCA, is amended to read:

7       **"15-16-103. Special improvement districts with annual interest payments -- collection of special**  
8 **assessments for all special improvements.** (1) Special assessments or installments of special assessments  
9 made for special improvements in towns and cities, the bonds for which annual interest payments have been  
10 specified and that were issued after July 1, 1981, and that have been duly and regularly made and levied by  
11 resolution according to law, ~~shall be~~ are payable as follows:

12       (a) One-half of the taxes are payable on or before 5 p.m. on November 30 of each year. If the taxes are  
13 not paid on or before that date, they are subject to the same interest and penalty for nonpayment as delinquent  
14 property taxes under 15-16-102. The penalty and interest may be waived by resolution of the city council, as  
15 provided in 15-16-102~~(6)~~(5).

16       (b) One-half of the taxes are payable on or before 5 p.m. on May 31 of each year. If the taxes are not  
17 paid on or before that date, they are subject to the same interest and penalty for nonpayment as delinquent  
18 property taxes under 15-16-102. The penalty and interest may be waived by resolution of the city council, as  
19 provided in 15-16-102~~(6)~~(5).

20       (2) The collection of special assessments or installments of special assessments made for special  
21 improvements in towns and cities are as provided by 7-12-4181."

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23       **Section 4.** Section 15-16-301, MCA, is amended to read:

24       **"15-16-301. Delinquent list -- list of taxes suspended or canceled -- real property.** (1) On the third  
25 Monday of ~~June~~ August of each year, the county treasurer shall make a report to the county clerk and recorder  
26 in detail, showing the amount of taxes collected and a complete list of all persons and property then owing taxes.  
27 The report may be submitted to the county clerk and recorder electronically.

28       (2) The county treasurer shall make a separate report to the county clerk and recorder showing the  
29 amount of taxes suspended or canceled under the provisions of Title 15, chapter 24, part 17, during the 1-year  
30 period immediately preceding the date of the report.

(3) The county clerk and recorder shall compare the reports with the books of the county treasurer and shall keep a record of the reports in the county clerk and recorder's office."

**Section 5.** Section 15-17-122, MCA, is amended to read:

**"15-17-122. Notice of pending tax lien sale.** (1) The county treasurer shall publish or post a notice of a pending tax lien sale. The notice must include:

(a) the specific time, date, and place an interest in the property on which the taxes are delinquent will be offered for sale;

(b) a statement that the delinquent taxes, including penalties, interest, and costs, are a lien upon the property and that unless the delinquent taxes, penalties, interest, and costs are paid prior to the time of the tax lien sale, the lien will be offered for sale at the time and place specified in subsection (1)(a).

(2) The notice required in subsection (1) must also include a statement that a list of each property on which the taxes are delinquent is on file in the office of the county treasurer and open to inspection. The list must include:

(a) the name and address of the person to whom the delinquent taxes are assessed;

(b) the amounts of the delinquent taxes, all accrued penalties, interest, and other costs; and

(c) a statement that penalties, interest, and costs will be added to delinquent taxes.

(3) The notice must be published once a week for 3 consecutive weeks in the newspaper designated for county printing as provided in 7-5-2411. If no newspaper is published in the county, the notice must be posted by the county treasurer in three public places. The notice must be first published or posted on or before the last Monday in ~~June~~ August.

(4) Except as provided in 15-17-211(2), the tax lien sale may not be held less than 21 days or more than 28 days from the date of first publication or first day the notice is posted.

(5) The sale must be held at the office of the county treasurer.

(6) Property on which taxes are delinquent but for which proper notification was not made may not be included in the current year's notice and tax lien sale. In the event of improper notification, the tax lien sale may be held on all property properly noticed.

(7) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

1           **Section 6.** Section 15-17-131, MCA, is amended to read:

2           **"15-17-131. Common undivided ownership interest -- separate assessment -- property tax**  
3 **payments.** (1) Except as provided in subsection (2), payment of all property taxes on a parcel by any co-owner  
4 is considered payment by all owners, whether or not the property is assessed and taxed separately to co-owners  
5 or to a single owner. Any payment by a co-owner in excess of the amount assessed to the co-owner must be the  
6 total amount due on the parcel or a partial payment amounting to a year of deficiency, as provided in  
7 15-16-102~~(5)(a)~~(4)(a). The nonpayment of taxes by a co-owner who is separately assessed and taxed subjects  
8 only the interest of the nonpaying co-owner to a tax lien sale.

9           (2) (a) A co-owner may receive a tax lien on property in which the co-owner has an undivided interest  
10 if:

11           (i) the co-owner pays the proportional amount of taxes on that co-owner's interest and on another  
12 co-owner's interest;

13           (ii) the paying co-owner has notified the nonpaying co-owner of the property tax payments and annually  
14 demands reimbursement in writing by certified mail, return receipt requested, addressed to the nonpaying  
15 co-owner's last-known mailing address; and

16           (iii) the paying co-owner has paid the property taxes for 3 consecutive years without reimbursement.

17           (b) Upon proof that a co-owner has complied with the provisions of this subsection (2), the paying  
18 co-owner is considered the purchaser of a tax lien on the ownership interest of the nonpaying co-owner and the  
19 county treasurer shall prepare a tax lien sale certificate with the paying co-owner as the purchaser. The certificate  
20 shall conform to the provisions of 15-17-212, except the certificate need not contain the information required in  
21 15-17-212(1)(a) and (1)(b). The treasurer shall comply with the provisions of 15-17-212(2) regarding the  
22 certificate.

23           (c) For the purposes of this subsection (2), if there are more than two co-owners, single and multiple  
24 paying co-owners can receive a tax lien on the undivided interests of single and multiple nonpaying co-owners."

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26           **Section 7.** Section 15-18-112, MCA, is amended to read:

27           **"15-18-112. Redemption from property tax lien -- lien on interest in property for taxes paid.** (1)  
28 Except as provided in subsection (4), in all cases in which a property tax lien has been acquired, the purchaser  
29 may pay the subsequent taxes assessed against the property.

30           (2) Upon the redemption of the property from the property tax lien, the redemptioner shall, in addition

1 to the amount for which the property tax lien was sold, including penalties, interest, and costs, pay the subsequent  
2 taxes assessed, with interest and penalty at the rate established for delinquent taxes in 15-16-102.

3 (3) An owner of less than all of the interest or a lienholder with an interest in real property who redeems  
4 a property tax lien on the property has a lien for the taxes paid on the interests of the property that are not owned  
5 by the redemptioner.

6 (4) The property tax lien may also be redeemed for a particular tax year by a partial payment of that tax  
7 year, as provided in 15-16-102~~(5)~~(4), if:

8 (a) the property tax lien for the year in which the partial payment is made is owned by the county; and

9 (b) the tax deed has not been issued pursuant to 15-18-211."

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11 **Section 8.** Section 15-23-214, MCA, is amended to read:

12 **"15-23-214. Determination of tax -- payment -- penalty and interest.** (1) Subject to 15-10-420 and  
13 on or before the third Monday in October, the department shall compute the tax on railroad car company property  
14 by multiplying the taxable value of the property by the average levy.

15 (2) After determining the tax, the department shall send to the last-known address of each railroad car  
16 company subject to taxation a written notice, postage prepaid, showing the amount of taxes due for the current  
17 year and any delinquent amount for prior years. The notice must include the taxable value of the property and  
18 the average levy used to compute the tax.

19 (3) The tax is due and payable to the department under the provisions of 15-16-102(1)(a)(i). A tax not  
20 received by the department within the time requirements of 15-16-102 is delinquent and subject to penalty and  
21 interest as provided in 15-1-216."

22  
23 **Section 9.** Section 15-23-507, MCA, is amended to read:

24 **"15-23-507. Taxation and payment on royalty interests.** At the time of computing net proceeds  
25 assessments, the department shall also determine the royalty lists or schedules for each county in which the  
26 mines and mining claims are located. The department shall prepare from the net proceeds and royalty  
27 assessments a tax roll that must be furnished to the county treasurer on or before the following September 15.  
28 Upon furnishing the tax roll, the taxes are due and payable. Assessments of royalty on production of metals and  
29 minerals other than petroleum and natural gas must be entered by the department in the property tax record in  
30 the name of the recipient or owner of the royalty. The county treasurer shall give full notice of the assessment

1 to the recipient or royalty owner and shall collect the taxes in the same manner as taxes on net proceeds of  
2 mines. Taxes on the royalty assessments and taxes on net proceeds of mines are payable at the times specified  
3 in 15-16-102(1)(a)(i), and any delinquencies in the payment are subject to the interest and penalties provided in  
4 15-16-102."

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6 **Section 10.** Section 15-23-804, MCA, is amended to read:

7 **"15-23-804. Taxation of merchantable value.** The department shall prepare from the reported valuation  
8 a tax roll that must be transmitted to the county treasurer on or before September 15 each year. The county  
9 treasurer shall proceed to give full notice to each metal producer and to collect the taxes due at the times  
10 provided for in 15-16-102(1)(a)(i), and any delinquencies in the payment of the taxes are subject to the interest  
11 and penalties provided for in 15-16-102."

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13 NEW SECTION. **Section 11. Effective date.** [This act] is effective July 1, 2009.

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15 NEW SECTION. **Section 12. Applicability.** [This act] applies to tax payments due after notice is given  
16 under 15-16-101.

17 - END -